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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

COPY

OFFICE OF THE DIRECTOR

March 3, 1956

Honorable Richard B. Russell
Chairman
Armed Services Committee
United States Senate
Washington 25, D. C.

Dear Mr. Chairman:

This is in response to your request of 24 February 1956 that I summarize for you the information which the Central Intelligence Agency furnishes to subcommittees of the Appropriations Committees of the Congress in connection with our budget presentations.

We prepare and supply to these committees a booklet which gives a comprehensive picture of our over-all financial situation for the three-year period common to Government agencies generally. This information includes our estimate of requirements for the fiscal year under consideration, as well as our estimate of obligations and expenditures for the current fiscal year, and our actual obligations and expenditures for the year preceding. A brief explanation of estimated increases and decreases is furnished. This over-all information is further broken down in three principal ways as follows:

a. First, by function, showing the amount of funds and percentage of our total funds which are allocated to the major activities of the Agency.

b. Second, by object class, showing the amount of funds and percentage of the total for personal services, travel, transportation, communications, etc.

c. Third, by organizational component, showing personnel strength, personal service costs, and an object class breakdown

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This booklet contains highly classified information and is returned to the Agency after it has served the committees' purposes.

For the past five years either as Director or as Deputy Director of Central Intelligence, I have been closely associated with the presentation of our budget to the Appropriations subcommittees. On these occasions, a great deal of supplementary information, including explanation of specific programs and projects, has been supplied to the subcommittees, and I have responded promptly and fully to all requests made of the Agency for information which the members felt to be necessary and appropriate to their consideration of our requests for funds.

I should also like to add a word about the audit of our funds. Where security permits, our expenditures are audited by the General Accounting Office in the same manner as those of other Government agencies. About forty per cent of our total expenditures are so audited. The balance is carefully audited by my own Audit Staff in accordance with procedures comparable to those of the General Accounting Office. I can assure you that we handle these funds as carefully as we do those which are subject to the GAO audit. The Clark Task Force of the Hoover Commission looked into this matter carefully during their survey of the Agency last year and reported that 'the so-called 'unvouchered funds' of CIA, often the subject of criticism and conjecture on the part of individuals, and occasionally of the press, were found to be meticulously handled and accounted for."

In view of his expressed interest in this matter, I am taking the liberty of sending a copy of this letter to Senator Saltonstall.

Sincerely,

(Signed)

Allen W. Dulles
Director

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